



## Department of Energy & Climate Change

### **Energy Act: Government Pipe-line and Storage System**

**Issue:** Sale of the Government Pipeline and Storage System (GPSS)

**Policy commitment:**

The GPSS is used to receive, store, transport and deliver aviation fuel for the MoD, the US Air Force and NATO. However military use equates to only a small proportion of the GPSS throughput and spare capacity is utilised by fee paying commercial customers, with the system distributing around 40% of aviation fuel in the UK, including 40% of Heathrow and Gatwick's requirements. Following a review of the GPSS it was concluded that it did not need to be retained in Government ownership in order to meet the MOD's requirements, whilst sale would encourage private investment in the system.

**Legislative proposal:**

The GPSS is mainly built on or under privately owned land and was constructed under a mixture of legislation and private agreements. Under previous legislation, the Secretary of State's right to access that land in order to use, maintain, repair the system etc could not be transferred to a purchaser of the GPSS. Primary legislation was therefore required to create a set of transferrable rights to use, maintain, remove, renew or replace sections of the GPSS; to restore land; to inspect or survey the GPSS or land affected by it; and to access private land affected by the GPSS in order to exercise any of these rights. Compensation will be payable where the value of land has been depreciated by the creation of these rights and for any damage or disturbance caused by the exercise of these rights. The Energy Act will also modify certain provisions of the Pipe-lines Act 1962 so as to apply them to the GPSS post sale.

**Relationship to other legislative proposals:**

None

**Background:**

The Government oil pipeline network – the Government Pipe-line and Storage System (GPSS) - was established to provide a secure oil distribution backbone for the United Kingdom at the beginning of World War Two in 1939. Over a period of years the pipeline route has been extended and amended, certain sections renewed and relaid or diverted until it now covers approximately 2,500 km of pipe (of which 2,000 km is operational) and a number of associated storage depots, pumping stations and other sites.

The GPSS network provides an important link around the country, is unobtrusive and its presence removes the need for significant road tanker movements across the UK. It serves a number of important civil airports such as Heathrow and Gatwick as well as significant military airfields. The GPSS is managed on behalf of Government by the Oil and Pipelines Agency, a Public Corporation sponsored by the MOD.